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"WE ARE AT CRISIS"

ADDRESS

BY

HON. ARTHUR H. VANDENBERG

OF MICHIGAN

BEFORE THE NATIONAL REPUBLICAN CLUB OF NEW YORK ON FEBRUARY 12, 1936

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Mr. McNARY. Mr. President, yesterday the distinguished junior Senator from Michigan [Mr. VANDENBERG] delivered a very thoughtful and interesting address before the National Republican Club of New York on the occasion of the anniversary of Lincoln's birth. I ask unanimous consent that the address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This natal celebration is devotedly addressed to the memory of Abraham Lincoln, savior of a nation, emancipator of a race. Humble product of our common soil, he came finally to personify the supreme majesty of service and the martyrdom of sacrifice. The cabined confines of his impoverished birth expanded to the boundless benediction of a life and labor as immortal as the genius of a human soul can be. He lives forever in the heart of history, and so long as informed democracy survives he will be canonized by humankind. His litany is ours tonight. It is particularly for us to say, as he said at Chicago on July 10, 1858:

"Let us turn this Government back into the channel in which the framers of the Constitution originally placed it."

I believe the crisis of 1936 is fundamental in this respect. The Chief Executive has frankly expressed his contemptuous wish that no constitutional scruple, however, persuasive, should interrupt his infatuated program. He greeted constitutional rejection of one of his alphabetical atrocities with the arrogant suggestion that everything prior to his dispensation belonged to outgrown horse-and-buggy days. He maintains high ministers of state, who frankly pine for a revolutionary order. His subservient Congress surrenders its vital prerogatives with complete abandon each time the White House nods. With particularly revealing significance upon one occasion he asked for $3,000,000,000, and candidly said, as might the French Louis of old, "I suggest that you appropriate it to me." In the language of the tragically forgotten Thomas Jefferson, eternalized on the first Fourth of July, "He has erected a multitude of new offices and sent swarms of officers to harass our people."

This is not the republic. It is government by Executive decree. In Europe it would be called an uglier name.

Never was the case against administration by boondoggling experts, hot with the rhapsody of their own ill-starred dreams, more conclusively assessed than by one of your own distinguished New Yorkers in 1930:

"The doctrine of regulation by master minds has been too glaringly apparent at Washington. Were it possible to find master minds so unselfish, so willing to decide unhesitatingly against their own personal interests or private prejudices, men almost godlike in their ability to hold the scales of justice with an even hand, such a government might be to the interests of the country. But there are none such on our political horizon, and we cannot expect a complete reversal of all the teachings of history."

Such was the verdict penned in advance by one who knows. The author, believe it or not, was Franklin D. Roosevelt.

Do not tell me that the people have lost interest in the forms of their government at a moment when ruthless dictatorships engulf democracy all round the globe. Do not tell me they no longer love the American system which has brought us greater mass advantage than that enjoyed by any other folk on earth. That is not the American character.

It is still true, as Ben Franklin said: "Those who would give up essential liberty to purchase a little temporary safety deserve neither liberty nor safety."

When I speak of the American system, let none mistake. It is a system of divided and balanced powers. I believe in a legislature to legislate. I believe in an executive to execute. To keep each from usurping the other's authority and to keep both from tyranizing a free people, I believe in an untrammeled Supreme Court of the United States. Let those with disappointed appetites assail it. Let the impatient and the intemperate pour their spleen upon its venerated bench. It still will stand in the loyalties of our people so long as they cherish the constitutional warrant of their liberties and seek the retention of their own sovereignty in their own hands.

Lincoln appealed to what he called "the sober second thought" and "the awakened public conscience." So must we. "We are in a trying time", he said; "it ranges above mere party, and this movement to call a halt needs all the help and good counsels it can get." Thus with our time, too. His words in 1856 come crashing down the years:

"Is there—can there be—any doubt that we must all lay aside our prejudices and march shoulder to shoulder in the great army of freedom?"

Lincoln was a Republican. But his appeal transcended party lines; his life served all; and his memory belongs to all Americans, regardless of race, color, politics, or creed. Similarly must his party of today rise above itself and address all citizens who love their institutions. As Washington once said, "It must raise a standard to which the wise and the honest may repair."

What could be of greater cheer than the forthright courage with which many distinguished Jeffersonian Democrats unhesitatingly declare this challenge? This is no more their regime than it is ours. Their 1932 platform is as dead as N. R. A.—not only dead, but mangled beyond all possibility of recognition—high promises which, when contrasted with subsequent performance, are the modern paraphrase of Dr. Jekyl and Mr. Hyde-Park.

Ex-Gov. Alfred E. Smith, of New York, who has earned rather persuasive credentials as a Democrat, says the situation is a "washout"—his word—for the disciples of Jefferson and Jackson and Cleveland. Thereupon he manfully declines to wear "the mantle of hypocrisy."

I give you also the sturdy words of former Chief Justice Pattangall, for years the leading Democrat of Maine: "There is only one practical course for Democrats—real Democrats—to pursue. * * * They know that their party has been betrayed, its ideals ridiculed, its policies reversed * * *. The Republican Party is the only agency by means of which it is possible to defeat the New Deal."

Talk about this year's possibility of a "third party." We already have a "third party." Nobody voted for it. Nobody asked for it.

Nobody knew it was on the way. But it is here—in power. Against it, and not against traditional Democracy, we aim our crusade. For myself, I welcome Jeffersonian cooperation not only in the battle line but subsequently in the council chamber after next November's victory is won.

We say, in the literal language of the first sentence of the first Republican platform of 1856: "We propose to restore the action of the Federal Government to the principles of Washington and Jefferson."

In recalling Lincoln, we must emulate him as the greatest liberal of his time. His viewpoints were uncompromisingly loyal to the great American fundamentals; but they were not blind to progressive developments within these boundaries. That would be my definition of today's essential liberalism. A liberal is a fundamentalist who declines to be static.

New conditions require new treatment; but as the moral law never outruns the Ten Commandments, so our governmental necessities do not outrun the limitations of the Constitution and the noble philosophy of the traditional American system. Our problem, in a word, is to consolidate the gains and liquidate the errors of the last 3 years. There have been some gains. There have been tragic errors.

I sustained the President in his original emergency program—precisely as I hope always to sustain any President in emergency—and I shall always credit him with high courage and impulse in many of these earlier situations. But I could not follow him—then or now—when he creates more emergencies than he cures. No such mortality is required of liberalism.

Liberalism may be defined more specifically. It recognizes human rights as superior to property rights, but it assigns solid sanctuary to both within the written law. This was the Lincoln conception when he said:

"Labor is prior to and independent of capital. Labor is the superior of capital and deserves much the higher consideration. But capital has its rights, which are as worthy of protection as any other rights."

Lincoln never hesitated to strike out for the mass security and advantage. He was the relentless foe of privilege and exploitation. He recognized that Government must accept a broadening social responsibility for the mass welfare of all our people. He stood for the broadest possible distribution of American opportunity to the whole of our mass citizenship. Every impulse of his career was lifted from the Delcaration of Independence, but then faithfully molded within the Constitution and the law. These, too, must be our impulses in 1936. Thus implemented and inspired, we cannot fail to restore our Republic. We shall again be citizens instead of subjects. States will be States again instead of provinces in pawn.

Yes; provinces in pawn! Having piled their pay-rollers into every nook and cranny of the Capital—with an overflow which commandeers entire hotels and often seeps into luxurious private mansions which rugged individuals once dared to build—these cramped but eager bureaucratics, restless with imperial complex for expansion, now sigh for more abundant fleshpots. We hear of aspirations to cut our luckless country into a dozen regional subcenters of administration with a dozen little capitals—all still responsive, of course, to the wizardry which still shall utter final wisdom from the hub. Each shall have its T. V. A. and each its ETC. For each a Quoddy and a ship canal. Each shall summon its own retainers to its own $50 dinners—to be eaten in the awed and hungry presence of its own unemployed. Each shall have a silver and a greenback printing press; and each shall have a full-rigged Santa Claus. Here shall be congenial feudal setting for those "satellite cities" which are benevolently promised for our regimented occupation. Here new battalions of commissars and

caliphs shall summon the faithful to bread and circuses, promising new public jobs, and asking little more than recurrent election in return. Here shall be convenient outposts of new despotism busily engaged in reducing life and livelihood to the chosen pattern which shall succeed democracy. Let those who like the vision nurse it to their bosom. Let those who do not like it, either in present form or in prospectus, smash it at next November's polls.

It is a favorite habit with these reigning gentlemen to ask us to specify our complaints and recommend our substitutes. Sometimes it seems to me that they voice this challenge with the truculent assurance of a cook who feels certain that when an omelette has once been made it is impossible to restore the eggs. They shall be specifically answered in the next Republican national platform, which must speak not only with courageous candor but also with a dependable dedication that shall shame the repudiations of the last 3 years.

The first responsibility is to provide employment and reasonable subsistence pending its achievement. This cannot be done by primary reliance on public works financed from an empty Public Treasury. This ceases to admit of denial in the presence of relief and work-relief rolls as challenging today as when the cruel crisis began. It cannot be done by prodigal expenditures which are half dole and half wage—with all the infirmities of the former and none of the advantages of the latter. That formula is now collapsing, and with the collapse is coming the predicted tragedy of throwing direct relief back upon local resources which, in many places, are exhausted. It cannot be done by socialistic sorties, which fling the Government into competitive business against its own citizens.

When it finally shall have been done, it will have been by reliance on private industry and private trade released to recuperated economic health in the standard American fashion. It will have been done precisely as the great automobile industry already has done it—not under bureaucratic whip and spur, not under the false philosophy of high price and low production, but by the free impulse of courageous private citizens in business, who provide more value for less money and who thus benefit capital, labor, and consumer alike.

Whenever private business involves a public interest there must be restraint and control by law. Never again, for example, can market exploiters enjoy an open-hunting season with its widespread casualties. Again, the well-nigh complete emasculation of the antitrust laws since 1933 has been a tragic lapse which demands courageous correction. But the great body of American business is honest, capable, and legitimate. All it needs is credit and a chance.

A mere permissive "breathing spell" is not enough. The phrase itself confesses that the process heretofore has been one of artificial respiration. It candidly prophesies that we are soon to be returned to the oxygen tent where life is licensed and survival is a matter of benevolent rations. A "breathing spell" is not enough. We want permission permanently to use our own lungs and breathe our own free air. Indeed, it should not be a matter of "permission" in America. It should be a matter of inalienable right.

I do not quarrel with recourse to expedients in an emergency. But I do quarrel with reform which retards recovery—and particularly with objectionable reform which uses depression as an excuse to handle us like experimental guinea pigs.

Some tonics are good. But we are now ready for restoratives rather than narcotics. Business is better because the inevitable cycle has long since reached the upswing. The forces of recovery are straining at the leash. They beg for a chance—and the best welfare of 10,000,000 unemployed join the prayer. Business was supposed to die when N. R. A. expired. Indeed, the President sum-

moned us to its deathbed with sepulchral platitudes which invited hopeless gloom. But a unanimous Supreme Court vindicated the Constitution; and, in the presence of proof that this still is a land of law, business declined its proferred funeral and commenced to boom. It gained confidence when Rhode Island went Republican. It gained again when Congress adjourned. It gained again when the President and his two chief spenders betook themselves for a month into far distant southern oceans. Business lost some of its timidity. It needs to lose much more. It will—if it has a chance.

National planning is a necessity, but the planning needed is not the Washington planning of sophomore overlords who never met a pay roll or bore the heat of industrial responsibility. The planning needed is by private business, the rank and file of our business life. I dare to wish that they may plan for labor to share with capital in the division of profits after each has been paid its primary due. I dare even to dream ultimately of the yearly wage. Government will be forced one day to act if adequate voluntary action does not develop a new industrial security and justice. But first, I emphatically repeat, private planning must have its wholesome chance. It cannot have this chance until Government clears the track and sets its own house in order.

Some of these necessities are obvious. They are intermittently recognized even by the administration itself, which now frequently makes pious gestures of deathbed penitence as we draw nearer November's reckoning.

How can business make long-range plans so long as an unbalanced Federal Budget jeopardizes the public credit and threatens pyramiding taxes? We still spend $2 for every $1 we take in. We still rely upon trick arithmetic to partially close the gap. We still prime pumps and then solemnly pump the priming. We still add Federal employees to the swollen rolls at the rate of 10,000 every 90 days—with civil service and the merit system pummelled to a ghastly pulp. We still encourage restless groups of distraught citizens to contemplate Uncle Sam as old Saint Nicholas and his reindeers as common carriers for Treasury checks. At last count a total of slightly more than 10,000,000 were participating in the distribution. Some of the distribution must continue because no American shall go without food, clothing, and shelter so long as any American resources remain. But all real necessities can be met in a rational way, if Federal relief funds, prorated to the States, are returned to the responsibility of the States to disburse; and still, with a program of courageously equitable taxation, plus a program of common-sense economy, the Federal Budget can be balanced. It must be balanced without much more delay. It is more than economic hazard; it is also moral cowardice for us longer to continue to charge our bills to our grandchildren.

I remind you of New York that you pay an average of 28 percent of the Federal bills. Your share of this administration's ultimate deficit will be about $4,000,000,000. That is what you of New York must one day dig up to pay for this debauch.

Let none fail to identify the burden bearers when costs of government multiply, when public funds are squandered, when taxes are piled upon the land. There is no immunity for any citizen. It may be a direct assessment. It may be indirect through insufferably high living costs. But, as the President himself has said, all taxes are paid in the sweat of man's brow. We have perspired already. But the real sweating days yet lie ahead—unless common sense swiftly substitutes for this contemporary spree. The country is hungry for this common sense.

Again, how can business make long-range plans so long as it does not know from one hour to the next what will be the value of the money in which its commitments will come due? We have flung the dollar to a lottery at the mercy of Executive whim. On the one hand, we repudiate our gold obligations and soil the national

honor for the first time in 150 years; on the other hand, we pile up gold and sterilize it in Midas hoards. Meanwhile we pay bonanza prices for all the silver the speculators of earth care to dump into our duped and exploited vaults. It is a fiscal shambles. As swiftly as practicable we must again stabilize our money and restore the yardstick of dependability. We want precisely what the Democrats promised in 1932—an aspiration which has now become their epitaph. We want "a sound currency to be preserved at all hazards."

Again, how can protected business—and half of our industrial life and labor is dependent upon tariff protection—make long-range plans so long as the tariff system is wholly at the unchecked mercy of secret Executive negotiations which may wipe out this reliance overnight? American tariffs should measure as accurately as possible the difference in cost of production at home and abroad. They should not measure the cloistered and wishful guesses of bureaucrats with free-trade inclinations. Least of all should they be fixed in violation of the clear constitutional mandate that none but Congress shall determine this vital public policy.

You can desert tariff protection if you please; but when you do, you deliver this Nation to an alien invasion which is deadlier at the customhouse than at the immigration port.

Remove these and kindred uncertainties from America's economic equation. Give American industry and labor a fair chance.

Then agriculture must have its full place in this scheme of things. It is entitled to cost of production and a fair profit. Its maladjustment must be permanently corrected or our economic system becomes a house of cards. The heart of the Farm Belt is just as much in New York City as in Iowa or Kansas. On the one hand, prosperous industry must provide consumers for farm products. On the other hand, prosperous agriculture must provide consumers for industry. If we cling to Lincoln idioms tonight, this house divided against itself cannot stand.

The American consumer rightfully resents increased living costs incidental to artificial scarcity which mocks man and defies God. But the American consumer cannot afford not to pay the reasonable price of rational aid to the constructive farm achievements upon which our mutual prosperity depends.

The problem, in simple terms, is to assure the farmer the benefit of the two-price system. This is the secret of most industrial success—a profitable domestic price undepressed by world prices—exports at the competitive world price. But surplus agriculture, harassed by kindred necessity, is forced to suffer the one-price system—the world price—because its tariffs are not wholly protective and because a business with 40,000,000 partners lacks effective marketing cohesion. It demands and deserves parity with industry in these respects.

The first necessity is absolute control of the domestic market. The President was right when he said 3 years ago at Baltimore: "It is absurd to talk of lowering duties on farm products, and I do not intend to do it." But he did. It was just one more of those "horse and buggy" promises which were jocularly committed to oblivion when the new Olympus opened its box of tricks. Meanwhile, at the same moment, when native farmers are ordered to curb production, we simultaneously admit greater farm imports from foreign farmers than ever before. From 1607 to 1935 we fed ourselves. In 1935 we had to turn to the outside world for help. It would be funny if it were not so tragic.

The second necessity is to give the farmer the mechanism—not to destroy crops and thus ultimately to destroy himself—but to provide orderly external and internal marketing of his surplus crops, the former at world prices, the latter at domestic prices. Soil conservation is an obvious correlary. The next Republican National Convention must be prepared to offer specific recommenda-

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tions upon this score which will be more than the "scrap of paper" upon which the President wrote his tariff promise in 1932.

This answer must escape the present contradiction which creates new reclamation areas while it retires existing farms; which retires domestic farms while admitting vast products from foreign farms; and which produces less food in the face of more hunger. The final answer will quit trying to fool the farmer—as when his professional friends at Washington recently increased the size of the corn bushel in the hope he won't realize that the Government loan per bushel has been reduced.

When healthy industry again produces urban purchasing power; when the total of our population is fed as it ought to be fed; and when farm marketing automatically enjoys the two-price system, there will be a permanent answer to the farm problem.

These are some of the considerations which citizens must confront. I join the President in praying for the greatest dissemination of facts. Unfortunately, this light of facts burns ominously low in much of the strategy which we confront. There is Mr. Farley, for example, who recently announced that this will be a "dirty campaign" and who then hastened to the hustings to vindicate his reputation as a prophet. The vindictive political technique to be embraced by defenders of the "new ordeal" also was made clear by its own chief spokesman, who recently turned the high rostrum of the House of Representatives into a Presidential soap box for the first time in our history. Any who do not accept the complete wisdom of these new programs are bad men and women with false hearts and mean souls. If you falter in approval of some fantastic novelty, you are just too dumb to appreciate the finer things of life. If you question the waste of public money, you want to starve your fellow citizens, according to the self-serving nonsense of the hour. If you protest that your business must sink beneath these new burdens, you are a "cry baby." If you criticize farm dictatorship—there is no mincing of words—you are a "liar." If you prefer the Constitution to the alphabet, you are a public enemy. If you dislike the spectacle of private business crushed by Government competition, you are an odious money changer. These are the intemperate, intolerant implications of a class-baiting strategy which would inflame those whom it could not otherwise persuade. There may be those who deserve this capital punishment. But as a political philosophy in a land of free speech and free thought it is intolerable. It is not the attitude of him who spoke "with malice toward none, but with charity for all." It is not the language of "good neighbors." It invites national disunion. It is the favorite formula of subversion. It lacks candor, sportsmanship, and fair play. It will neither fool the American people nor divert their wrath.

Future generations will look back upon 1936 as one of the great epochs in constitutional democracy. We are at crisis—not alone a crisis in politics and economics but equally a crisis in character. It is a crisis in character not alone for our institutions. It is a crisis in character for the traditionally free and self-reliant citizen. It is a crisis in spiritual as well as material values.

We dare not fail our responsibilities. Let us cling tenaciously to the indispensable fundamentals of the Republic. Let us reject the counsels of clamor and black magic. But let us move forward in courageous pursuit of constantly progressive social and economic justice and equality, and an ever-broadening distribution of American opportunity within the boundaries of constitutional democracy.

This was the Lincoln spirit. I believe it is the Lincoln challenge. From it we too shall not retreat.

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